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## **San José Mayor Chuck Reed Delivers Eighth State of the City Address**

***Focus on open government and fiscal responsibility increased transparency,  
moved City Hall in new direction; set stage for recovery, sustainable future***

*San José, Calif.* – In his eighth state of the city address, San José Mayor Chuck Reed revisited four key initiatives of his first seven years in office – Open Government, San José’s Green Vision, Economic Development, and Fiscal Reform – that have been the hallmark of his tenure and outlined plans for the remaining ten months of his term.

In the months ahead, public safety will continue to be his top priority, Mayor Reed said.

“We will restore services in our police department,” Mayor Reed said. “As the state reduces the prison population, property crimes are rising and we need more capacity to respond. To do that, we will slow down the losses of experienced officers, recruit and hire more new officers, and expand the use of community service officers. Resolving the uncertainties about disability retirements will help.”

“We also will improve fire department response times,” Mayor Reed said. “Ninety-four percent of the emergency calls to the Fire Department are medical, and our staffing model needs to better reflect that reality. There are things we can do right now by using existing resources more effectively.”

The Mayor recommended expanding San José Fire Department’s use of two-person squad vehicles for medical calls. Currently, the City of San José has five squad vehicles in use citywide. The Mayor urged the exploration of the use of motorcycle paramedics, as has been done in other cities. Another option for the City to consider would be deploying three firefighters on an engine, which is the staffing model used elsewhere in Santa Clara County.

Mayor Reed was elected in November 2006 on a platform of honesty, fiscal responsibility, and open government. Over the past seven years, he has championed policies and practices that have fundamentally changed the way things were done for decades in San Jose and laid the foundation for a strong future, including enacting Open Government reforms, developing San José’s Green Vision, creating new policies to spur economic development, and putting in place a comprehensive Fiscal Reform Plan.

### **Transparency & Open Government**

Since Mayor Reed took office, the City Council has approved more than 90 ethical and open government reforms.

“We created a community based budgeting process,” Mayor Reed said. “We posted information on the web before decisions were made, so you could participate in the debate. No more springing deals on the public at the last minute. No more policy by surprise.”

Many of these reforms were enacted as pilot policies. “Now it is time to put sunshine into the Municipal Code by enacting an open government ordinance before the end of the year,” Mayor Reed said.

### **San José’s Green Vision**

In October 2007, the City Council adopted Mayor Reed’s Green Vision for San José, a bold plan to improve the economy and protect the environment.

“We’ve made great strides capturing clean-tech jobs and piloting new technologies, like the world’s first ChargePoint station and the nation’s first organics-to-biogas facility,” Mayor Reed said. “We led the region with municipal power purchase agreements and installed 4.5 megawatts of solar power on city facilities. We will soon install 20,000 LED streetlights paid for with savings from energy conservation.”

### **Economic Development**

Speaking from the newly renovated and expanded San José McEnery Convention Center, Mayor Reed highlighted a number of major civic and economic development projects underway or completed during his tenure, including:

- The 130,000 square-foot expansion of the Convention Center, funded by a special tax on hotel operations.
- The expansion of Mineta San José International Airport, including the addition of two new carriers, ANA and Virgin America.
- Construction of the BART connection to San José.
- Development of the privately-financed San José Earthquakes stadium.
- Brocade, Ericsson, Maxim, Samsung America, and other driving industry companies have located or are building headquarters and R&D facilities in San José.
- New high-rise residential towers Downtown, new retail centers, and 9,000 high-density residential units in North and South San José.
- The satellite U.S. Patent and Trademark Office opening at San José City Hall in 2014.

In total, since 2010, when Mayor Reed introduced an economic development plan focused on reducing red tape, cutting taxes and fees, and ensuring the City worked at the speed of business on major projects, San José has captured more than \$3 billion worth of new investment. More than \$1 billion of additional projects are currently in the permitting pipeline.

### **Fiscal Responsibility**

Most importantly, when Mayor Reed delivered his first State of the City Address in 2007, San José was facing its sixth straight year of budget deficits. This year, for the third year in a row, the City's fiscal outlook is stable. Much of the success is due to a Fiscal Reform Plan that included new service delivery models, organizational efficiencies, binding arbitration reform, the phase-out of sick-leave buybacks, and comprehensive pension reforms.

"Times have been tough, but we have turned the corner and are slowly beginning to restore services," he said. "We are training new police recruits and hiring community service officers. We were able to keep 49 firefighters who had been paid for with federal grants that expired. We opened four new neighborhood libraries that sat vacant for years. We turned streetlights back on. We've also begun to restore pay to our police officers and other city employees."

The Mayor also noted that, despite litigation, San José is already seeing savings from Measure B pension reforms, which were approved by nearly 70% of the voters in June 2012. Two key goals of Measure B were to make sure city employees and retirees get paid the retirement benefits they have earned and accrued and to provide essential services to San Jose residents.

"We are already saving more than \$20 million per year from the elimination of bonus pension checks and changes to retiree healthcare plans," Mayor Reed said. "We are also getting savings from having lower-cost retirement benefits for new employees. Those savings started small, but are growing rapidly as new workers are hired. All of these provisions were upheld by the trial court, and over time, are worth hundreds of millions of dollars."

### **Looking to the Future**

An important part of the City's long-term Fiscal Reform Plan is increasing revenues. On March 4, the City Council will consider placing an extension of the existing library parcel tax on the ballot in June. This tax provides almost 25 percent of the library's budget, purchasing books and computers, funding library staff, and paying for services like adult literacy and job readiness, story times, teen and senior programs, and more. The City Council also has discussed placing a sales tax or marijuana tax increase on the November ballot.

"As I said in last year's speech," Mayor Reed said. "I challenge all of you who want a sales tax increase to put together a broad coalition of support with the capacity and commitment to raise enough money to mount a successful campaign."

Mayor Reed proposed that any new tax revenues be used to:

- Improve police and fire response times for emergencies.
- Reduce both violent crimes and property crimes.
- Step up gang prevention, intervention and suppression
- Stop the deterioration of city streets.
- Create more jobs and tax revenues

As he reflects on the seven years he has served as Mayor of America's tenth largest city, Mayor Reed said, "As we look to the years ahead, we know that our fiscal situation is more stable. We've made the tough decisions necessary to avert a fiscal disaster during extremely difficult times. We've slowed skyrocketing costs; we've captured economic growth; and we've laid the groundwork for a strong and sustainable future."

Acknowledging that some efforts span multiple administrations, Mayor Reed lauded his predecessors for laying the groundwork for projects like the airport expansion and bringing BART to San José and encouraged his potential successors to stay focused on keeping the City fiscally healthy.

"Special interests will pressure you to give up on fiscal reforms," Mayor Reed said. "But you must consider the interests of the entire community. You must think long-term or risk pushing the city into service-delivery insolvency or worse."

#### ***About the State of the City Event***

In addition to the State of the City Address, the State of the City event recognized Community Honorees from each City Council District and honored city employees with the Pride of San José awards.

**Community Honorees:** Captain Anthony Ciaburro, San José Police Department (District 1); Southside Community and Senior Center Brown Bag Volunteers (District 2); Maria Evans, Principal of Washington Elementary School (District 3); Berryessa Art and Wine Festival Steering Committee (District 4); Youth Connections Foundation of San José (District 5); Valle Monte League (District 6); EHC LifeBuilders (District 7); East Valley Family YMCA (District 8); The Health Trust (District 9); and South Valley Family YMCA (District 10).

**Pride of San José Awardees:** Emergency Response Team to the Airport Waterline Break & Terminal Closure; Parks, Recreation & Neighborhood Services Volunteer Management Team; San José McEnery Convention Center Expansion & Renovation Project Delivery Team; San José Minimum Wage Ordinance Implementation Team; Sanitary Sewer Maintenance Team; Small Business Permitting Portal (Your Business Coaching Center); and "WickedlyFastWiFi" Project Team.

Mayor Reed was introduced by his son Alex Reed with video remarks from his daughter Lt. Col. Kim Campbell. Karolyn Kirchesler, President & CEO of Team San José, and Michael Mulcahy, Board Chairman of Team San José, served as emcees. Team San José manages the new and expanded San José McEnery Convention Center and other cultural facilities for the City of San José.

The Pledge of Allegiance was led by Alexandra, Amanda, Peter, Samantha, and Sydney Constant, the children of Councilmember Pete Constant. Lorianna Gardere sang "America, the Beautiful." The invocation was provided by Pastor Danny Sanchez, co-founder of The City Peace Project.

The State of the City address will be re-broadcast multiple times throughout the weekend on *CivicCenter Television*. The event will also be available online for on-demand viewing starting Friday, February 21. The direct link for online viewing is: <http://www.sanjoseca.gov/index.aspx?NID=191>

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